

State Tax Appeal Board Procedures and Suggestions for the Department of Revenue

Have an adequate number of exhibits to hand out.

- One set for the taxpayer, one set for each of three Board members and one set for the official record, or five at a minimum.
- Have them organized in the order you plan to make your presentation but do not mark them with letters or numbers before introducing them at the hearing.

Role of DOR

- In every tax appeal board hearing (county or state), the Department of Revenue (DOR) must support the classification or valuation DOR established for the property. Citation

Supporting the DOR's Land Value

- When presenting a Computer Assisted Land Pricing (CALP) model, which, in most cases does not mean much to the lay person, attach a document showing calculations such as price per SF, acre or whatever the unit of comparison is. Justify the CALP values to the subject value.
- Include in your exhibits a map of the Neighborhood(s) used in the CALP. Identify the location of the subject and of each sale the DOR used to value the property being appealed.
- If Realty Transfer Certificates (RTC) are going to be discussed, be prepared to present them as exhibits. The Taxpayer has the right to an unredacted copy of the RTC prior to the hearing, if requested, or at the hearing if you plan to present the RTC's. Remind the county tax appeal board that this document should be treated in a special manner, i.e., a sealed envelope. The Supreme Court addressed this issue in DeVoe v. DOR, 263 Mont. 100; 866 P.2d 228; 1993 Mont.

Supporting the DOR's Improvement Value

- If the cost approach was used to value the subject property, present a copy of the Property Record Card (PRC) and explain the items which were used to arrive at the value, i.e., effective age, quality of construction, etc. If the cost approach was not used, point that out and testify as to why. If an economic condition factor (ECF) was used, be prepared to support it. – You may want to have with you a copy of the Appraisal Manual and Book of General Evidence for reference.
- If the sales comparison approach was used, have copies of the PRC for the homes used on the Montana Comparable Sales exhibit and a map illustrating the location of the subject property and each comparable sale property. Be prepared to discuss the information listed on the exhibit, i.e., grade, CDU (how it is calculated), what is the MRA estimate, etc. If need be, refer to the DOR's Book of General Evidence. Again, if Realty Transfer Certificates (RTC) are going to be discussed, be prepared to present them as exhibits. Again, please remember that the taxpayer is allowed access to all information, unredacted, used to value the property
- If the income approach was used, provide support for the income, expenses and capitalization rates. Explain where the information came from and why it should be used in valuing the subject property. Be prepared to discuss the effective tax rate and show how it is used.

It's a good practice to check with the Clerk and Recorder to make sure that appeals are being heard. Remember that many of the county tax appeal board have gone years without having an appeal and there is a good chance one or all the members/secretary are new to the process.

Be patient with the county tax appeal board members. They don't do this very often and the pay is minimal. Remember, these folks have to live with the taxpayer every day and may see them on a regular basis. The county tax appeal boards might be more likely

to be a little more demanding of the DOR appraiser, who is the expert, than the taxpayer who does not have the same resources.

Remember, if you (the DOR) don't agree with the county tax appeal board's decision, and you know the taxpayer is going to appeal that decision to the State Tax Appeal Board, you still have the opportunity to file a cross appeal; the cross appeal must be timely.

During the Hearing

If you don't know the answer to a question, it is best to say, "I don't know, but I would be happy to find out for you." Many times the person asking the question knows the answer before the question is asked.

If the Board has requested that the record to be supplemented with an exhibit after the hearing, make sure the taxpayer receives a copy of whatever you send to the Board.